



ENVIRONMENTAL PROTECTION AGENCY

[Petition IV-2010-4; FRL-9701-1]

Clean Air Act Operating Permit Program;

Petition for Objection to State Operating Permit for Cash Creek Generation, LLC –

Cash Creek Generation Station;

Henderson County, Kentucky

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of final order on petition to object to a state operating permit.

**SUMMARY:** Pursuant to Clean Air Act (CAA), the EPA Administrator signed an Order, dated June 22, 2012, partially granting and partially denying a petition to object to a CAA merged prevention of significant deterioration and title V operating permit issued by the Kentucky Division for Air Quality (KDAQ) to Cash Creek Generation, LLC for its Cash Creek Generation Station (Cash Creek) located near Owensboro in Henderson County, Kentucky. This Order constitutes a final action on the petition submitted by Environmental Policy & Law Center on behalf of Sierra Club, Ursuline Sisters of Saint Joseph, and Valley Watch (Petitioners) and received by EPA on June 18, 2010. A petition for judicial review of those parts of the Order that deny issues in the petition may be filed in the United States Court of Appeals for the appropriate circuit within 60 days from the date this notice is published in the Federal Register.

**DATES:** [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]

**ADDRESSES:** Copies of the Order, the petition, and all pertinent information relating thereto are on file at the following location: EPA Region 4; Air, Pesticides and Toxics Management Division; 61 Forsyth Street, SW; Atlanta, Georgia 30303-8960. The Order is also available electronically at the following address:

[http://www.epa.gov/region07/air/title5/petitiondb/petitions/cashcreek\\_response2010.pdf](http://www.epa.gov/region07/air/title5/petitiondb/petitions/cashcreek_response2010.pdf)

**FOR FURTHER INFORMATION CONTACT:** Art Hofmeister, Air Permits Section, EPA Region 4, at (404) 562-9115 or [hofmeister.art@epa.gov](mailto:hofmeister.art@epa.gov).

**SUPPLEMENTARY INFORMATION:** The CAA affords EPA a 45-day period to review and, as appropriate, the authority to object to operating permits proposed by state permitting authorities under title V of the CAA, 42 U.S.C. 7661-7661f. Section 505(b)(2) of the CAA and 40 CFR 70.8(d) authorize any person to petition the EPA Administrator to object to a title V operating permit within 60 days after the expiration of EPA's 45-day review period if EPA has not objected on its own initiative. Petitions must be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided by the state, unless the petitioner demonstrates that it was impracticable to raise these issues during the comment period or the grounds for the issues arose after this period.

Petitioners submitted a petition regarding Cash Creek (received by EPA on June 18, 2010), requesting that EPA object to the CAA title V operating permit (#V-09-006). Petitioners alleged that the permit was not consistent with the CAA because: (1) KDAQ failed to provide an opportunity for meaningful public participation; (2) KDAQ's calculation of the proposed facility's potential to emit volatile organic compounds (VOC), hydrogen sulfide and hazardous air pollutants (HAP) failed to account for full emissions from active flaring; (3) the permit's source-wide VOC emission limit was not enforceable as a practical matter; (4) the best available control technology (BACT) limits applicable to the flare during startup and steady-state operations were not supported by a proper BACT analysis; (5) the BACT limits applicable to the flare did not cover shutdown and malfunction periods; (6) the applicant incorrectly estimated fugitive emissions from equipment leaks; (7) KDAQ omitted numerous control options and

relied on a faulty cost-effectiveness analysis in selecting BACT for equipment leaks; (8) KDAQ improperly determined that the source was minor for HAPs; (9) Cash Creek's calculation of particulate matter emissions from material handling assumed an unreasonably high control efficiency for wet suppression control methods and used an unreasonably low silt loading factor; (10) permit terms and conditions governing material handling were unenforceably vague and did not equate to the assumed control efficiencies; and (11) Cash Creek failed to perform an adequate ozone impacts analysis.

On June 22, 2012, the Administrator issued an Order partially granting and partially denying the petition. The Order explains EPA's rationale for partially granting and partially denying the petition.

Dated: July 6, 2012.

A. Stanley Meiburg,  
Deputy Regional Administrator,  
Region 4.